



## COVID-19

### Legal Insights no. 51

#### Amendments to the extraordinary support for progressive recovery of activity

Decree-Law no. 6-C/2021, published on January 15, 2021, amended the extraordinary support for progressive recovery of activity in companies in a business crisis situation, provided for Decree-Law no. 46-A/2020, of July 30.

A **business crisis situation** is considered when there is a drop of 25% or more of invoicing:

- Within the month prior of the initial application for support or extension refers, with reference to the same calendar month of the previous year or 2019 or with the monthly average of the six months preceding that period; or
- For those companies who have initiated their activity within less than 24 months ago, with reference to the average monthly invoicing between the begin of their activity and the penultimate complete month preceding the calendar month to which the initial application for support or extension refers.

### Reduction of the Normal Working Period (PNT)

The employer can access to the extraordinary support for progressive recovery of all or some of its employees. Managers, with declarations of remuneration, registration of social security contributions and (of companies) with employees under their responsibility may also benefit from this support, with the limits of the PNT between 33% and 60% being applied to them, up to the limit of the PNT reduction applicable to the employees under its responsibility.

In the case of an employer with a drop of invoicing of 75% or more, the reduction of the PNT, per employee, may be a maximum of: i) up to 100% in the months of January, February, March and April 2021; and ii) up to 75% in the months of May and June 2021.

### Remuneration and compensation

During the reduction of the PNT, the employee is entitled to remuneration corresponding to the hours performed and to a monthly salary compensation corresponding to the hours not performed, paid by the employer, in the amount of four fifths of his gross normal salary corresponding to the hours not performed.

If the sum of hours performed and hours not performed results in a monthly amount lower than the employee's gross normal salary, the amount of compensation paid by social security is increased to the extent strictly necessary to ensure such compensation, up to a maximum of gross normal salary (up to a maximum of € 1,995.00).

### Partial exemption from payment of social security contributions

An employer who is considered to be a micro, small or medium-sized company and who benefits from this support is entitled to be exempted from 50% of the payment of contributions for the employees concerned, calculated on the basis of the amount of the retributive compensation.

### Professional Training

For each month of extraordinary support for progressive recovery of activity, the employer acquires the right to a training plan. This training plan entitles the employer to a maximum grant of € 307.16 per employee covered.

### Simplified support for micro-companies

Employers who are in a situation of business crisis, considered micro-companies (employing less than 10 employees) and who have benefited from the "simplified lay-off" or who benefit from the

extraordinary support for progressive recovery are entitled to financial support in the amount of € 1,330.00 per employee covered by these supports, paid in a phased manner over six months.

### Cumulate and sequentially of supports

Extraordinary support for progressive recovery of activity and simplified support for micro-companies cannot be cumulated. The employer cannot benefit simultaneously from this support, the "simplified lay-off" or the "lay-off" scheme foreseen in the Labour Code.

Extraordinary support for progressive recovery of activity, simplified support for micro-companies and extraordinary incentives to normalize business activity are mutually exclusive.

Employers who benefit from the supports provided for in this Decree-Law may, at the end of such supports, access to the "lay-off" scheme foreseen in the Labour Code.

Decree-Law no. 46-A/2020 is in force up to June 30, 2021.

To access the full text of Decree-Law 46-A/2020, please click [here](#).

#### **For further information, please contact us:**

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